



AMENDMENT TO MINING LEASE OF
NAVAJO INDIAN TRIBAL LANDS CONTRACT NO. 1-149 Ind. 8667

THIS AGREEMENT made and entered into this 22nd day of August, 1951, by and between Allan G. Harper, Area Director of Window Rock, State of Arizona, for and on behalf of the Navajo Tribe of Indians, hereinafter called Lessor, and Koley Black and the Navajo Uranium Company, a Colorado corporation duly authorized to do business and hold property under the laws of the State of Arizona, jointly and severally, hereinafter called Lessees.

WITNESSETH:

WHEREAS, a mining lease of Indian tribal lands designated as Contract No. 1-149 Ind. 8667, was entered into between Walter C. Olson, Acting Superintendent of Window Rock, State of Arizona, for and on behalf of the Navajo Tribe of Indians as Lessor, and Koley Black of Kayenta, State of Arizona, as Lessee, whereby the lands described in said lease was leased to the said Koley Black for the purposes and upon the conditions set out in said lease, and a three-fourths (3/4) interest in said lease was by the said Koley Black assigned to F. A. Sitton of Dove Creek, Colorado, and said three-fourths (3/4) interest was subsequently assigned by F. A. Sitton to F. A. Sitton, Inc., which lease and the assignments thereof were duly approved and are of record in the Bureau of Indian Affairs of the Department of the Interior of the United States of America. The corporate name of F. A. Sitton, Inc., has been changed in the manner provided by law to the corporate name the Navajo Uranium Company, and the Navajo Uranium Company, a corporation is now the owner and holder of all the interests in the above described lease heretofore owned and held by F. A. Sitton, Inc.

WHEREAS, the Lessor and the Lessees have encountered difficulties in the interpretation and application of the royalty provision contained in the rider attached to said lease, which royalty provision as

attached to said lease reads as follows, to-wit:

"Royalties: Ten percent of the gross sale price of all mineral products recovered and sold except vanadium compounds which shall be subject to a royalty rate of 10% of the vanadium oxide or the equivalent in other compounds contained in the ore, the minimum royalty to be not less than \$1.00 per ton of ore milled on the leased land or shipped for milling or treatment elsewhere. The royalty payment for vanadium compounds shall be based on values of ore in accordance with the payments and bonuses offered by the Atomic Energy Commission."

AND WHEREAS, the Advisory Committee of the Navajo Tribal Council, at a meeting held on the 3rd day of May, 1951, authorized the amendment of said lease so that it would provide that the 10% royalty be paid upon the assay value of the ore produced and not upon the finished product, and the parties hereto having agreed to amend said royalty paragraph to make the terms thereof certain and definite, all as hereinafter more fully set out,

NOW THEREFORE, in consideration of the covenants and agreements herein contained the parties hereto agree as follows:

That in lieu of the paragraph contained in the above described mining lease under the subject "Royalties" attached to said lease by reference in Article 3(a) of said lease, there be submitted the following royalty paragraph, to-wit:

Royalties:

The Lessee shall pay to the person entitled to receive royalties under the provisions of Section 3(a) of said lease, the following percentages of the proceeds of the sale of all ores and minerals mined and sold from the lease premises F.O.B. selling point:

1. Ten percent (10%) of the payments received by Lessee for the U_3O_8 content of said ores.
2. Ten percent (10%) of the payments received by Lessee for the V_2O_5 content of said ores.
3. Ten percent (10%) of any production bonus or bonuses paid pursuant to United States Atomic Energy Commission's Domestic Uranium Program Circular or Circulars.
4. Ten percent (10%) of the payments received by the Lessee for any other metals or minerals that are recovered from the Lessee's ores.

All U_3O_8 ore values are those of untreated mine ore without regard to any subsequent added value due to roasting, concentrating, chemical precipitation, or other treatment.

All V_2O_5 ore values are those of untreated mine ore without regard to any subsequent added value due to roasting, concentrating, chemical precipitation, or other treatment.

In respect to ores which are produced from said lease and processed at the mill of assignee, the Navajo Uranium Company, Lessees shall pay royalty at the rate specified above, based upon the assayed value of the ore delivered F.O.B. mill site.

The Lessor shall have no interest in and shall not be entitled to collect royalty on any haulage allowances or development allowances paid pursuant to the U. S. Atomic Energy Commission's Domestic Uranium Program Circular or Circulars.

The Lessee agrees to keep a correct set of records wherein shall be kept an accurate record of all ores and minerals sold and which have been mined on the lands herein leased, and said records shall be open to inspection of the Lessor at all reasonable times at its offices in the town of _____.

Payment of royalty shall be made on or before the twenty-fifth (25th) day of each month for all ores and minerals sold during the month preceding for which settlements have been made, together with the statement of payments received for said ores and the amount of royalty due.

That this amendment shall not affect or alter any of the provisions of said lease as they now are in force and effect excepting the provisions concerning the payment of royalty as set out herein.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands as of the day and year first above written.

Two witnesses to execution by
Area Director:

[Signature]
P.O. [Signature]

[Signature]
Allan G. Harper, Area Director

[Signature]
P.O. [Signature]

Two witnesses to execution by
Koley Black:

[Signature]
P.O. [Signature]

[Signature]
Koley Black

Navajo Uranium Company

P.O. [Signature]

By [Signature]
Its [Signature]

Attest: [Signature]
Secretary

(SKAL)

ACKNOWLEDGMENT OF LESSOR

STATE OF New Mexico)
) ss.
COUNTY OF McKinley)

Before me, a Notary Public, on this 29th day of October,
1951, personally appeared Allan G. Harper,
to me known to be the identical person who executed the within and
foregoing instrument, and acknowledged to me that he executed the same
Area Director, Window Rock Area
in his official capacity as Bureau of Indian Affairs, and as
his free and voluntary act and deed for the uses and purposes therein
set forth.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my
seal the day and year first above written.

My Commission expires:

My Commission expires April 16, 1952

Ernest B. Cunningham
Notary Public

ACKNOWLEDGMENT OF INDIVIDUAL

STATE OF Idaho)
) ss.
COUNTY OF Montgomery)

Before me, a Notary Public, on this 22nd day of August,
1951, personally appeared Jimmy Beach, to me known to be
the identical person who executed the within and foregoing instrument
and acknowledged to me that he executed the same as his free and volun-
tary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my
seal the day and year first above written.

My Commission expires:

March 29, 1955

Charles W. Schenck
Notary Public

ACKNOWLEDGMENT OF CORPORATION

STATE OF MISSISSIPPI)
) ss.
COUNTY OF MONROVIA)

Before me, a Notary Public, on this 28th day of August,
1951, personally appeared R. C. Pulney, Jr., to me known
to be the identical person who subscribed the name of the maker thereof
to the foregoing instrument as its President and acknowledged
to me that he executed the same as his free and voluntary act and deed,
and as the free and voluntary act and deed of such corporation, for the
uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my
seal the day and year first above written.

My Commission expires:

[Signature]
Notary Public

May 17, 1955

UNITED STATES DEPARTMENT OF THE INTERIOR

Washington 25, D.C. _____, 1951

The within Amendment of Mining Lease _____ approved,

Department of the Interior
Bureau of Indian Affairs
Washington 25, D. C.

By [Signature]
Its _____

CONSENT OF SURETY

The Aetna Casualty and Surety Company of Hartford, Connecticut, surety of Koley Black on the bond accompanying the lease above described, hereby consents to the modification of said lease as made by the above agreement and agrees that said bond shall remain in full force and effect covering the obligation of the lessee and the assignments of said lease, notwithstanding said amendment.

Dated at Denver, Colorado, this 22nd day of October, 1951

Aetna Casualty and Surety Company

By S.M. Smith
Its ATTORNEY-IN-FACT

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
WASHINGTON 25, D.C.

APPROVED:

Chief, Branch of Land

Approved under authority delegated
by Secretarial Order No. 2508,
January 11, 1949 (14 F.R. 258-260),
and Order No. 551, Amendment 3
(16 F.R. 8252).

FROM

WALTER C. CLSON

TO

KOLEY BLACK

DATED NOVEMBER 30, 1952

also
Filed and recorded
at the request of
Apache Abstract Co,
on April 11th, 1952,
at 10:30 A.M., in
Book 4 of Mining
Claims, page 3-4.
Records of Apache
County, Arizona.

(SEAL)

Natalia S. Farr

COUNTY RECORDER.

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